

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-04677?insMES

This bill creates a refundable individual income tax credit for the sales and use taxes paid by an individual in the taxable year to which the claim relates. The maximum credit that may be claimed each year under the bill is \$500, or \$250 for each spouse if a married couple files separate tax returns. The amount of credit that may be claimed by a nonresident or part-year resident of this state is modified based on the ratio of the claimant's Wisconsin adjusted gross income (AGI) to his or her federal AGI.

Because this individual income tax credit is refundable, if the amount of the credit exceeds the taxpayer's income tax liability, the difference will be refunded to the taxpayer by check.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

SECTION 1. 20.835 (2) (cb) of the statutes is created to read:

20.835 (2) (cb) *Sales and use tax individual income tax credit.* A sum sufficient to make the payments under s. 71.07 (5d).

CR: 71.07(5d)
71.07 (5d) SALES AND USE TAX INDIVIDUAL INCOME TAX CREDIT. (a) *Definition.* In this subsection, "claimant" means an individual who files a claim under this subsection.

(b) *Filing claims.* Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 the amount of any sales taxes imposed under s. 77.52 and use taxes imposed under s. 77.53 that the claimant paid in the taxable year to which the claim relates. If the allowable amount of the claim under this subsection exceeds the income taxes otherwise due on the claimant's income, the amount of the claim that is not used to offset those taxes shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation under s. 20.835 (2) (cb).

(c) *Limitations.* 1. Except as provided in subds. 2. and 3., the maximum credit that may be claimed under this subsection by a claimant is \$500 in each year to which the claim relates.

2. If a married couple files separately, except for a spouse who files as head of household, each spouse may claim up to 50% of the amount specified in subd. 1.

3. If a part-year resident or a nonresident of this state files a claim under this subsection, the maximum credit amounts in subd. 1. or 2. shall be multiplied by a fraction, the numerator of which is the individual's and his or her spouse's Wisconsin adjusted gross income and the denominator of which is the individual's and his or her spouse's federal adjusted gross income. In this subdivision, for married persons filing separately "adjusted gross income" means the separate adjusted gross income of each spouse, and for married persons filing jointly "adjusted gross income" means the total adjusted gross income of both spouses.

4. No credit may be allowed under this subsection unless it is claimed within the time period under s. 71.75 (2).

(d) *Administration.* The department may enforce the credit under this subsection and may take any action, conduct any proceeding, and proceed as it is authorized in respect to taxes under this chapter. The income tax provisions in this chapter relating to assessments, refunds, appeals, collection, interest, and penalties apply to the credit under this subsection.

SECTION 2. 71.08 (1) (intro.) of the statutes is amended to read:

71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married couple filing jointly, trust or estate under s. 71.02, not considering the credits under ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (5d), (6), (6s), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and

(3) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the tax under this section, there is imposed on that natural person, married couple filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109.

SECTION 3. 71.10 (4) (i) of the statutes is amended to read:

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under subch. IX, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s. 71.07 (2fd), sales and use tax individual income tax credit under s. 71.07 (5d), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109.

SECTION 4. Initial applicability.

(1) This act first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 this act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-04677/insJK
JK.....

Insert

1 **SECTION 1.** 77.52 (1) of the statutes is amended to read:

2 77.52 (1) For the privilege of selling, leasing or renting tangible personal
3 property, including accessories, components, attachments, parts, supplies and
4 materials, at retail a tax is imposed upon all retailers at the rate of 5% 7.5% of the
5 gross receipts from the sale, lease or rental of tangible personal property, including
6 accessories, components, attachments, parts, supplies and materials, sold, leased or
7 rented at retail in this state.

History: 1973 c. 156; 1975 c. 39; 1977 c. 29, 142, 418; 1979 c. 174, 221; 1981 c. 20, 317; 1983 a. 2, 27; 1983 a. 189 ss. 99, 103, 107, 329 (12); 1983 a. 341, 510, 544; 1985 a. 29, 149; 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 316; 1993 a. 112, 213, 308, 437; 1995 a. 27, 225, 351; 1997 a. 27, 237, 291; 1999 a. 9, 83; 1999 a. 150 s. 672; 2001 a. 16, 104, 109.

8 **SECTION 2.** 77.52 (2) (intro.) of the statutes is amended to read:

9 77.52 (2) (intro.) For the privilege of selling, performing or furnishing the
10 services described under par. (a) at retail in this state to consumers or users, a tax
11 is imposed upon all persons selling, performing or furnishing the services at the rate
12 of 5% 7.5% of the gross receipts from the sale, performance or furnishing of the
13 services.

History: 1973 c. 156; 1975 c. 39; 1977 c. 29, 142, 418; 1979 c. 174, 221; 1981 c. 20, 317; 1983 a. 2, 27; 1983 a. 189 ss. 99, 103, 107, 329 (12); 1983 a. 341, 510, 544; 1985 a. 29, 149; 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 316; 1993 a. 112, 213, 308, 437; 1995 a. 27, 225, 351; 1997 a. 27, 237, 291; 1999 a. 9, 83; 1999 a. 150 s. 672; 2001 a. 16, 104, 109.

14 **SECTION 3.** 77.53 (1) of the statutes is amended to read:

15 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
16 on the use or consumption in this state of taxable services under s. 77.52 purchased
17 from any retailer, at the rate of 5% 7.5% of the sales price of those services; on the
18 storage, use or other consumption in this state of tangible personal property
19 purchased from any retailer, at the rate of 5% 7.5% of the sales price of that property;
20 and on the storage, use or other consumption of tangible personal property
21 manufactured, processed or otherwise altered, in or outside this state, by the person

1 who stores, uses or consumes it, from material purchased from any retailer, at the
2 rate of ~~5%~~ 7.5% of the sales price of that material.

History: 1971 c. 125, 211; 1977 c. 29, 418; 1979 c. 1, 174; 1981 c. 317; 1983 a. 2; 1985 a. 29; 1987 a. 27, 268, 399; 1991 a. 39, 316; 1993 a. 16, 112; 1995 a. 27, 209; 1997 a. 27, 41, 237; 1999 a. 31; 2001 a. 109.

Insert

~~SECTION 4. Effective date.~~

3
4 (1) The treatment of sections ~~77.52~~ (1) and (2) (intro.) and ~~77.53~~ (1) of the
5 statutes takes effect on January 1, 2004.

(End)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0467/P/

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WLJ

Tues. 2/25

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

REGEN

1 AN ACT *to repeal* 111.70 (1) (dm), 111.70 (1) (fm), 111.70 (1) (nc), 111.70 (4) (cm)
2 5s., 111.70 (4) (cm) 7., 111.70 (4) (cm) 7g., 111.70 (4) (cm) 8m. b., 111.70 (4) (cm)
3 8p., 111.70 (4) (cn), 121.15 (3m) and 121.23 (2); *to renumber* 121.23 (1); *to*
4 *consolidate, renumber and amend* 111.70 (4) (cm) 8m. a. and c.; *to amend*
5 20.255 (2) (ac), 67.03 (1) (a) and (b), 67.05 (6a) (a) 2. (intro.), 71.08 (1) (intro.),
6 71.10 (4) (i), 77.52 (1), 77.52 (2) (intro.), 77.53 (1), 111.70 (1) (b), 111.70 (4) (cm)
7 5., 111.70 (4) (cm) 6. a., 111.70 (4) (cm) 6. am., 111.70 (4) (cm) 7r. (intro.), 111.70
8 (4) (cm) 8s., 111.70 (4) (d) 2. a., 115.3615, 115.93, 118.255 (4), 118.40 (2r) (e) 1.,
9 118.51 (16) (b) 1. and 2., 118.51 (16) (d), 119.23 (4) (b) 2., 119.82 (5), 121.08 (1)
10 (intro.), 121.08 (4) (a) (intro.), 2., 3. and (b), 121.09, 121.095 (1) (intro.), 121.095
11 (2), 121.105 (1), 121.105 (3), 121.15 (1) (intro.), 121.15 (1g) (a), 121.15 (1m) (a)
12 3., 121.23 (title), 121.85 (6) (a) 1., 121.85 (6) (e), 121.85 (6m), 121.85 (8), 121.85
13 (9) (c), 121.86 (2) (a) 1., 121.90 (2) (intro.) and 121.91 (2m) (e) (intro.); and *to*
14 *create* 15.375 (1), 20.255 (2) (t), 20.835 (2) (cb), 25.90, 65.90 (7), 71.07 (5d),
15 115.34 (3), 115.341 (3), 115.343 (6), 115.345 (10), 115.36 (4), 115.361 (3), 115.366

(3), 115.405 (4), 115.42 (5), 115.43 (3), 115.435 (4), 115.45 (11), 115.75 (4), 115.88 (10), 115.995 (3), 116.08 (6), 118.153 (8), 118.43 (9), 120.145, 121.085, 121.086, 121.105 (2) (c), 121.135 (4) and 121.41 (3) of the statutes; **relating to:** abolishing the general equalization aid formula for distributing state school aid; creating a foundation plan to fund school costs; creating a School Building Projects Board; providing state aid to school districts for building projects; creating a school levy rate limit; eliminating school district revenue limits; eliminating certain categorical aids to school districts; modifying dispute settlement procedures in local government employment other than law enforcement and fire fighting employment; increasing the sales and use tax; granting rule-making authority; and making an appropriation.

creating a refundable individual income tax credit for certain

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

sales and use taxes paid by a claimant;

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 15.375 (1)[✓] of the statutes is created to read:

15.375 (1) SCHOOL BUILDING PROJECTS BOARD. There is created a school building projects board attached to the department of public instruction under s. 15.03[✓]. The board shall consist of the following members, appointed for 3-year terms:

(a) Three members appointed by the state superintendent of public instruction.

(b) Three members appointed by the governor.

SECTION 2. 20.255 (2) (ac)[✓] of the statutes is amended to read:

1 20.255 (2) (ac) *General equalization aids*. A sum sufficient for the payment of
2 educational aids under ss. 121.08, 121.09, 121.095, and 121.105 and subch. VI of ch.
3 121 equal to \$4,200,945,900 in the 2002–03 fiscal year, and equal to the amount
4 determined by law in the 2003–04 fiscal year ~~and biennially thereafter, and equal to~~
5 ~~the amount determined by the joint committee on finance under s. 121.15 (3m) (c) in~~
6 ~~the 2004–05 fiscal year and biennially thereafter. No moneys may be encumbered~~
7 ~~from the~~ ^{this} appropriation after the 2003–04 fiscal year.

8 SECTION 3. 20.255 (2) (t) [✓] of the statutes is created to read:

9 20.255 (2) (t) *State school aids*. From the public school aid fund, a sum
10 sufficient for state school aid under ss. 121.085[✓], 121.086[✓], 121.09[✓], 121.095[✓], and
11 121.105 (3)[✓], and subch. VI of ch. 121[✓].

12 SECTION 4. 20.835 (2) (cb) [✓] of the statutes is created to read:

13 20.835 (2) (cb) *Sales and use tax individual income tax credit*. A sum sufficient
14 to make the payments under s. 71.07 (5d)[✓].

15 SECTION 5. 25.90 [✓] of the statutes is created to read:

16 **25.90 Public school aid fund.** There is established a separate nonlapsible
17 trust fund designated the public school aid fund consisting of 41% of all revenue from
18 sales and use taxes.

19 SECTION 6. 65.90 (7) [✓] of the statutes is created to read:

20 65.90 (7) The total amount in a school district's fund balance in any fiscal year
21 may not exceed an amount equal to 18% of the school district's budget in that fiscal
22 year. In this subsection, "fund balance" means the difference between fund assets
23 and fund liabilities, ~~and includes that portion that is committed for specified~~
24 ~~purposes, that portion that is tentatively identified for specified purposes, and that~~
25 ~~portion that is not appropriated for a specified purpose~~

as determined by
the department of
public instruction

1 **SECTION 7.** 67.03 (1) (a) and (b) of the statutes are amended to read:

2 67.03 (1) (a) Except as provided in s. 67.01 (9), municipalities may borrow
3 money and issue municipal obligations therefor only for the purposes and by the
4 procedure specified in this chapter. The aggregate amount of indebtedness,
5 including existing indebtedness, of any municipality shall not exceed 5% of the value
6 of the taxable property located in the municipality as equalized for state purposes
7 except that the aggregate amount of indebtedness of any school district that offers
8 no less than grades 1 to 12 and that at the time of incurring the debt is eligible to
9 receive state aid under s. ~~121.08~~ 121.085 shall not exceed 10% of the equalized value
10 of the taxable property located in the school district.

11 (b) Any school district about to incur indebtedness may apply to the state
12 superintendent of public instruction for, and the state superintendent may issue, a
13 certificate as to the eligibility of the school district to receive state aid under s. ~~121.08~~
14 121.085, which certificate shall be conclusive as to such eligibility for 30 days, but
15 not beyond the next June 30.

16 **SECTION 8.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:

17 67.05 (6a) (a) 2. (intro.) Except as provided under pars. (b) and (c) and, subs.
18 (7) and (15), and s. 121.086, if the board of any school district, or the electors at a
19 regularly called school district meeting, by a majority vote adopt an initial resolution
20 to raise an amount of money by a bond issue, the school district clerk shall, within
21 10 days, publish notice of such adoption as a class 1 notice under ch. 985 or post the
22 notice as provided under s. 10.05. The notice shall state the maximum amount
23 proposed to be borrowed, the purpose of the borrowing, that the resolution was
24 adopted under this subdivision and the place where and the hours during which the
25 resolution may be inspected. The school board shall also do one of the following:

1 **SECTION 9.** 71.07 (5d) of the statutes is created to read:

2 **71.07 (5d) SALES AND USE TAX INDIVIDUAL INCOME TAX CREDIT.** (a) *Definition.* In
3 this subsection, “claimant” means an individual who files a claim under this
4 subsection.

5 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
6 claimant may claim as a credit against the tax imposed under s. 71.02 the amount
7 of any sales taxes imposed under s. 77.52 and use taxes imposed under s. 77.53 that
8 the claimant paid in the taxable year to which the claim relates. If the allowable
9 amount of the claim under this subsection exceeds the income taxes otherwise due
10 on the claimant’s income, the amount of the claim that is not used to offset those taxes
11 shall be certified by the department of revenue to the department of administration
12 for payment by check, share draft, or other draft drawn from the appropriation under
13 s. 20.835 (2) (cb).

14 (c) *Limitations.* 1. Except as provided in subds. 2. and 3., the maximum credit
15 that may be claimed under this subsection by a claimant is \$500 in each year to which
16 the claim relates.

17 2. If a married couple files separately, except for a spouse who files as head of
18 household, each spouse may claim up to 50% of the amount specified in subd. 1.

19 3. If a part-year resident or a nonresident of this state files a claim under this
20 subsection, the maximum credit amounts in subd. 1. or 2. shall be multiplied by a
21 fraction, the numerator of which is the individual’s and his or her spouse’s Wisconsin
22 adjusted gross income and the denominator of which is the individual’s and his or her
23 spouse’s federal adjusted gross income. In this subdivision, for married persons
24 filing separately “adjusted gross income” means the separate adjusted gross income

1 of each spouse, and for married persons filing jointly “adjusted gross income” means
2 the total adjusted gross income of both spouses.

3 4. No credit may be allowed under this subsection unless it is claimed within
4 the time period under s. 71.75 (2).

5 (d) *Administration.* The department may enforce the credit under this
6 subsection and may take any action, conduct any proceeding, and proceed as it is
7 authorized in respect to taxes under this chapter. The income tax provisions in this
8 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
9 apply to the credit under this subsection.

10 SECTION 10. 71.08 (1) (intro.) of the statutes is amended to read:

11 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
12 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
13 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (5d),
14 (6), (6s), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and
15 (3) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and
16 subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the
17 tax under this section, there is imposed on that natural person, married couple filing
18 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax
19 computed as follows:

20 SECTION 11. 71.10 (4) (i) of the statutes is amended to read:

21 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
22 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
23 tax relief credit under s. 71.07 (3m), farmers’ drought property tax credit under s.
24 71.07 (2fd), sales and use tax individual income tax credit under s. 71.07 (5d), earned

1 income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and
2 taxes withheld under subch. X.

3 **SECTION 12.** 77.52 (1)¹ of the statutes is amended to read:

4 77.52 (1) For the privilege of selling, leasing or renting tangible personal
5 property, including accessories, components, attachments, parts, supplies and
6 materials, at retail a tax is imposed upon all retailers at the rate of 5% 7.5% of the
7 gross receipts from the sale, lease or rental of tangible personal property, including
8 accessories, components, attachments, parts, supplies and materials, sold, leased or
9 rented at retail in this state.

10 **SECTION 13.** 77.52 (2) (intro.)¹ of the statutes is amended to read:

11 77.52 (2) (intro.) For the privilege of selling, performing or furnishing the
12 services described under par. (a) at retail in this state to consumers or users, a tax
13 is imposed upon all persons selling, performing or furnishing the services at the rate
14 of 5% 7.5% of the gross receipts from the sale, performance or furnishing of the
15 services.

16 **SECTION 14.** 77.53 (1)¹ of the statutes is amended to read:

17 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
18 on the use or consumption in this state of taxable services under s. 77.52 purchased
19 from any retailer, at the rate of 5% 7.5% of the sales price of those services; on the
20 storage, use or other consumption in this state of tangible personal property
21 purchased from any retailer, at the rate of 5% 7.5% of the sales price of that property;
22 and on the storage, use or other consumption of tangible personal property
23 manufactured, processed or otherwise altered, in or outside this state, by the person
24 who stores, uses or consumes it, from material purchased from any retailer, at the
25 rate of 5% 7.5% of the sales price of that material.

1 **SECTION 15.** 111.70 (1) (b)[↓] of the statutes is amended to read:

2 111.70 (1) (b) "Collective bargaining unit" means a unit ~~consisting of municipal~~
3 ~~employees who are school district professional employees or of municipal employees~~
4 ~~who are not school district professional employees~~ that is determined by the
5 commission to be appropriate for the purpose of collective bargaining.

6 **SECTION 16.** 111.70 (1) (dm)[↓] of the statutes is repealed.

7 **SECTION 17.** 111.70 (1) (fm)[↓] of the statutes is repealed.

8 **SECTION 18.** 111.70 (1) (nc)[↓] of the statutes is repealed.

9 **SECTION 19.** 111.70 (4) (cm) 5.[↓] of the statutes is amended to read:

10 111.70 (4) (cm) 5. 'Voluntary impasse resolution procedures.' In addition to the
11 other impasse resolution procedures provided in this paragraph, a municipal
12 employer and labor organization may at any time, as a permissive subject of
13 bargaining, agree in writing to a dispute settlement procedure, including
14 authorization for a strike by municipal employees or binding interest arbitration,
15 which is acceptable to the parties for resolving an impasse over terms of any
16 collective bargaining agreement under this subchapter. A copy of such agreement
17 shall be filed by the parties with the commission. If the parties agree to any form of
18 binding interest arbitration, the arbitrator shall give weight to the factors
19 enumerated under ~~subds. 7., 7g. and~~ subd. 7r.

20 **SECTION 20.** 111.70 (4) (cm) 5s.[↓] of the statutes is repealed.

21 **SECTION 21.** 111.70 (4) (cm) 6. a.[↓] of the statutes is amended to read:

22 111.70 (4) (cm) 6. a. If in any collective bargaining unit a dispute ~~relating to one~~
23 ~~or more issues, qualifying for interest arbitration under subd. 5s. in a collective~~
24 ~~bargaining unit to which subd. 5s. applies,~~ has not been settled after a reasonable
25 period of negotiation and after mediation by the commission under subd. 3. and other

1 settlement procedures, if any, established by the parties have been exhausted, and
2 the parties are deadlocked with respect to any dispute between them over wages,
3 hours, and conditions of employment to be included in a new collective bargaining
4 agreement, either party, or the parties jointly, may petition the commission, in
5 writing, to initiate compulsory, final, and binding arbitration, as provided in this
6 paragraph. At the time the petition is filed, the petitioning party shall submit in
7 writing to the other party and the commission its preliminary final offer containing
8 its latest proposals on all issues in dispute. Within 14 calendar days after the date
9 of that submission, the other party shall submit in writing its preliminary final offer
10 on all disputed issues to the petitioning party and the commission. If a petition is
11 filed jointly, both parties shall exchange their preliminary final offers in writing and
12 submit copies to the commission at the time the petition is filed.

13 **SECTION 22.** 111.70 (4) (cm) 6. am.¹ of the statutes is amended to read:

14 111.70 (4) (cm) 6. am. Upon receipt of a petition to initiate arbitration, the
15 commission shall make an investigation, with or without a formal hearing, to
16 determine whether arbitration should be commenced. If in determining whether an
17 impasse exists the commission finds that the procedures set forth in this paragraph
18 have not been complied with and such compliance would tend to result in a
19 settlement, it may order such compliance before ordering arbitration. The validity
20 of any arbitration award or collective bargaining agreement shall not be affected by
21 failure to comply with such procedures. Prior to the close of the investigation each
22 party shall submit in writing to the commission its single final offer containing its
23 final proposals on all issues in dispute that are subject to interest arbitration under
24 this subdivision ~~or under subd. 5s. in collective bargaining units to which subd. 5s.~~
25 ~~applies.~~ If a party fails to submit a single, ultimate final offer, the commission shall

1 close the investigation based on the last written position of the party. ~~The municipal~~
2 ~~employer may not submit a qualified economic offer under subd. 5s. after the close~~
3 ~~of the investigation.~~ Such final offers may include only mandatory subjects of
4 bargaining, except that a permissive subject of bargaining may be included by a
5 party if the other party does not object and shall then be treated as a mandatory
6 subject. No later than such time, the parties shall also submit to the commission a
7 stipulation, in writing, with respect to all matters which are agreed upon for
8 inclusion in the new or amended collective bargaining agreement. The commission,
9 after receiving a report from its investigator and determining that arbitration should
10 be commenced, shall issue an order requiring arbitration and immediately submit
11 to the parties a list of 7 arbitrators. Upon receipt of such list, the parties shall
12 alternately strike names until a single name is left, who shall be appointed as
13 arbitrator. The petitioning party shall notify the commission in writing of the
14 identity of the arbitrator selected. Upon receipt of such notice, the commission shall
15 formally appoint the arbitrator and submit to him or her the final offers of the
16 parties. The final offers shall be considered public documents and shall be available
17 from the commission. In lieu of a single arbitrator and upon request of both parties,
18 the commission shall appoint a tripartite arbitration panel consisting of one member
19 selected by each of the parties and a neutral person designated by the commission
20 who shall serve as a chairperson. An arbitration panel has the same powers and
21 duties as provided in this section for any other appointed arbitrator, and all
22 arbitration decisions by such panel shall be determined by majority vote. In lieu of
23 selection of the arbitrator by the parties and upon request of both parties, the
24 commission shall establish a procedure for randomly selecting names of arbitrators.
25 Under the procedure, the commission shall submit a list of 7 arbitrators to the

1 parties. Each party shall strike one name from the list. From the remaining 5
2 names, the commission shall randomly appoint an arbitrator. Unless both parties
3 to an arbitration proceeding otherwise agree in writing, every individual whose
4 name is submitted by the commission for appointment as an arbitrator shall be a
5 resident of this state at the time of submission and every individual who is
6 designated as an arbitration panel chairperson shall be a resident of this state at the
7 time of designation.

8 SECTION 23. 111.70 (4) (cm) 7. of the statutes is repealed.

9 SECTION 24. 111.70 (4) (cm) 7g. of the statutes is repealed.

10 SECTION 25. 111.70 (4) (cm) 7r. (intro.) of the statutes is amended to read:

11 111.70 (4) (cm) 7r. ~~Other factors~~ Factors considered.' (intro.) In making any
12 decision under the arbitration procedures authorized by this paragraph, the
13 arbitrator or arbitration panel shall also give weight to the following factors:

14 SECTION 26. 111.70 (4) (cm) 8m. a. and c. of the statutes are consolidated,
15 renumbered 111.70 (4) (cm) 8m. and amended to read:

16 111.70 (4) (cm) 8m. 'Term of agreement; reopening of negotiations.' Except for
17 the initial collective bargaining agreement between the parties and except as the
18 parties otherwise agree, every collective bargaining agreement covering municipal
19 employees subject to this paragraph ~~other than school district professional~~
20 ^{plain space} employees shall be for a term of 2 years. ~~No, but in no case may a~~ collective
21 bargaining agreement for any collective bargaining unit consisting of municipal
22 employees ~~subject to this paragraph other than school district professional~~
23 ~~employees shall be for a term exceeding 3 years. e. No arbitration award may~~
24 contain a provision for reopening of negotiations during the term of a collective
25 bargaining agreement, unless both parties agree to such a provision. The

1 requirement for agreement by both parties does not apply to a provision for
2 reopening of negotiations with respect to any portion of an agreement that is
3 declared invalid by a court or administrative agency or rendered invalid by the
4 enactment of a law or promulgation of a federal regulation.

5 **SECTION 27.** 111.70 (4) (cm) 8m. b. of the statutes is repealed.

6 **SECTION 28.** 111.70 (4) (cm) 8p. of the statutes is repealed.

7 **SECTION 29.** 111.70 (4) (cm) 8s. of the statutes is amended to read:

8 111.70 (4) (cm) 8s. 'Forms for determining costs.' The commission shall
9 prescribe forms for calculating the total increased cost to the municipal employer of
10 compensation and fringe benefits provided to school district professional employees.
11 The cost shall be determined based upon the total cost of compensation and fringe
12 benefits provided to school district professional employees who are represented by
13 a labor organization on the 90th day before expiration of any previous collective
14 bargaining agreement between the parties, or who were so represented if the
15 effective date is retroactive, or the 90th day prior to commencement of negotiations
16 if there is no previous collective bargaining agreement between the parties, without
17 regard to any change in the number, rank, or qualifications of the school district
18 professional employees. For purposes of such determinations, any cost increase that
19 is incurred on any day other than the beginning of the 12-month period commencing
20 with the effective date of the agreement or any succeeding 12-month period
21 commencing on the anniversary of that effective date shall be calculated as if the cost
22 increase were incurred as of the beginning of the 12-month period beginning on the
23 effective date or anniversary of the effective date in which the cost increase is
24 incurred. ~~In each collective bargaining unit to which subd. 5s. applies, the municipal~~
25 ~~employer shall transmit to the commission and the labor organization a completed~~

1 ~~form for calculating the total increased cost to the municipal employer of~~
2 ~~compensation and fringe benefits provided to the school district professional~~
3 ~~employees covered by the agreement as soon as possible after the effective date of the~~
4 ~~agreement.~~

5 SECTION 30. 111.70 (4) (cn)[✓] of the statutes is repealed.

6 SECTION 31. 111.70 (4) (d) 2. a.[✓] of the statutes is amended to read:

7 111.70 (4) (d) 2. a. The commission shall determine the appropriate collective
8 bargaining unit for the purpose of collective bargaining and shall whenever possible,
9 unless otherwise required under this subchapter, avoid fragmentation by
10 maintaining as few collective bargaining units as practicable in keeping with the size
11 of the total municipal work force. In making such a determination, the commission
12 may decide whether, in a particular case, the municipal employees in the same or
13 several departments, divisions, institutions, crafts, professions, or other
14 occupational groupings constitute a collective bargaining unit. Before making its
15 determination, the commission may provide an opportunity for the municipal
16 employees concerned to determine, by secret ballot, whether or not they desire to be
17 established as a separate collective bargaining unit. ~~The commission shall not~~
18 ~~decide, however, that any group of municipal employees constitutes an appropriate~~
19 ~~collective bargaining unit if the group includes both municipal employees who are~~
20 ~~school district professional employees and municipal employees who are not school~~
21 ~~district professional employees.~~ The commission shall not decide, however, that any
22 other group of municipal employees constitutes an appropriate collective bargaining
23 unit if the group includes both professional employees and nonprofessional
24 employees, unless a majority of the professional employees vote for inclusion in the
25 unit. The commission shall not decide that any group of municipal employees

1 constitutes an appropriate collective bargaining unit if the group includes both craft
2 employees and noncraft employees unless a majority of the craft employees vote for
3 inclusion in the unit. The commission shall place the professional employees who are
4 assigned to perform any services at a charter school, as defined in s. 115.001 (1), in
5 a separate collective bargaining unit from a unit that includes any other professional
6 employees whenever at least 30% of those professional employees request an election
7 to be held to determine that issue and a majority of the professional employees at the
8 charter school who cast votes in the election decide to be represented in a separate
9 collective bargaining unit. Any vote taken under this subsection shall be by secret
10 ballot.

11 **SECTION 32.** 115.34 (3) of the statutes is created to read:

12 115.34 (3) The department may not make any payments under this section
13 after June 30, 2004.

14 **SECTION 33.** 115.341 (3) of the statutes is created to read:

15 115.341 (3) The department may not make any payments under this section
16 after June 30, 2004.

17 **SECTION 34.** 115.343 (6) of the statutes is created to read:

18 115.343 (6) The department may not make any payments under this section
19 after June 30, 2004.

20 **SECTION 35.** 115.345 (10) of the statutes is created to read:

21 115.345 (10) The department may not make any payments under this section
22 after June 30, 2004.

23 **SECTION 36.** 115.36 (4) of the statutes is created to read:

24 115.36 (4) The department may not make any payments under this section
25 after June 30, 2004.

1 **SECTION 37.** 115.361 (3) of the statutes is created to read:

2 115.361 (3) The department may not make any payments under this section
3 after June 30, 2004.

4 **SECTION 38.** 115.3615 of the statutes is amended to read:

5 **115.3615 Head start supplement.** From the appropriations under s. 20.255
6 (2) (eh) and (kh), the state superintendent shall distribute funds to agencies
7 determined by the state superintendent to be eligible for designation as head start
8 agencies under 42 USC 9836 to provide comprehensive health, educational,
9 nutritional, social and other services to economically disadvantaged children and
10 their families. The state superintendent shall distribute the funds in a manner
11 consistent with 42 USC 9831 to 9852 except that there is no matching fund
12 requirement. The state superintendent shall give preference in funding under this
13 section to agencies that are receiving federal funds under 42 USC 9831 to 9852 and
14 to agencies that operate full-time or early head start programs. Funds distributed
15 under this section may be used to match available federal funds under 42 USC 9831
16 to 9852 only if the funds are used to secure additional federal funds for the purposes
17 under this section. The department may not distribute any funds from the
18 appropriation under s. 20.255 (2) (eh) after June 30, 2004.

19 **SECTION 39.** 115.366 (3) of the statutes is created to read:

20 115.366 (3) The department may not make any payments under this section
21 after June 30, 2004.

22 **SECTION 40.** 115.405 (4) of the statutes is created to read:

23 115.405 (4) The department may not make any payments under this section
24 after June 30, 2004.

25 **SECTION 41.** 115.42 (5) of the statutes is created to read:

1 115.42 (5) The department may not make any payments under this section
2 after June 30, 2004.

3 **SECTION 42.** 115.43 (3) [↓] of the statutes is created to read:

4 115.43 (3) [↓] **TERMINATION OF SCHOLARSHIPS.** The department may not make any
5 payments under this section after June 30, 2004.

6 **SECTION 43.** 115.435 (4) [↓] of the statutes is created to read:

7 115.435 (4) The department may not make any payments under this section
8 after June 30, 2004.

9 **SECTION 44.** 115.45 (11) [↓] of the statutes is created to read:

10 115.45 (11) The department may not make any payments under this section
11 after June 30, 2004.

12 **SECTION 45.** 115.75 (4) [↓] of the statutes is created to read:

13 115.75 (4) The department may not make any payments under this section
14 after June 30, 2004.

15 **SECTION 46.** 115.88 (10) [↓] of the statutes is created to read:

16 115.88 (10) [↓] **TERMINATION OF STATE AID.** The department may not make any
17 payments under this section after June 30, 2004.

18 **SECTION 47.** 115.93 [↓] of the statutes is amended to read:

19 **115.93 State aid.** If upon receipt of the reports under s. 115.92 (2) the state
20 superintendent is satisfied that the school age parents program has been maintained
21 during the preceding school year in accordance with the rules under s. 115.92 (3), the
22 state superintendent shall certify to the department of administration in favor of
23 each school district maintaining the program a sum equal to the amount expended
24 by the school district during the preceding school year for salaries of teachers and
25 instructional aides, special transportation and other expenses approved by the state

1 superintendent as costs eligible for reimbursement from the appropriation under s.
2 20.255 (2) (b). The department may not make any payments under this section after
3 June 30, 2004.

4 **SECTION 48.** 115.995 (3)[↓] of the statutes is created to read:

5 115.995 (3) The department may not make any payments under this section
6 after June 30, 2004.

7 **SECTION 49.** 116.08 (6)[↓] of the statutes is created to read:

8 116.08 (6) The department may not make any payments under this section
9 after June 30, 2004.

10 **SECTION 50.** 118.153 (8)[↓] of the statutes is created to read:

11 118.153 (8) The department may not make any payments under this section
12 after June 30, 2004.

13 **SECTION 51.** 118.255 (4)[↓] of the statutes is amended to read:

14 118.255 (4) If the state superintendent is satisfied that the health treatment
15 services program has been maintained during the preceding school year in
16 accordance with law, the state superintendent shall certify to the department of
17 administration in favor of each school board, cooperative educational service agency
18 and county children with disabilities education board maintaining such health
19 treatment services, an amount equal to the amount expended for items listed in s.
20 115.88 (1m) by the school board, cooperative educational service agency and county
21 children with disabilities education board during the preceding year for these health
22 treatment services as costs eligible for reimbursement from the appropriation under
23 s. 20.255 (2) (b). The department may not make any payments under this subsection
24 after June 30, 2004.

25 **SECTION 52.** 118.40 (2r) (e) 1.[↓] of the statutes is amended to read:

1 118.40 (2r) (e) 1. From the appropriation under s. 20.255 (2) (fm), the
2 department shall pay to the operator of the charter school an amount equal to the
3 sum of the amount paid per pupil under this subdivision in the previous school year
4 and the amount of revenue increase per pupil that would be allowed under subch. VII
5 of ch. 121 in the current school year if subch. VII of ch. 121 were still applicable,
6 multiplied by the number of pupils attending the charter school. The department
7 shall pay 25% of the total amount in September, 25% in December, 25% in February,
8 and 25% in June. The department shall send the check to the operator of the charter
9 school.

10 **SECTION 53.** 118.43 (9) [✓] of the statutes is created to read:

11 118.43 (9) [✓] **TERMINATION OF STATE AID.** The department may not make any
12 payments under this section after June 30, 2004.

13 **SECTION 54.** 118.51 (16) (b) ~~118.51~~ [✓] ~~and 21~~ ^{is} of the statutes ~~are~~ ^{is} amended to read:

14 118.51 (16) (b) 1. If the number determined in par. (a) 1. is greater than the
15 number determined in par. (a) 2. for a school district, the department shall increase
16 that school district's state aid payment under s. ~~121.08~~ 121.085 by an amount equal
17 to the difference multiplied by the amount determined under par. (a) 3.

18 2. If the number determined in par. (a) 1. is less than the number determined
19 in par. (a) 2. for a school district, the department shall decrease that school district's
20 state aid payment under s. ~~121.08~~ 121.085 [✓] by an amount equal to the difference
21 multiplied by the amount determined under par. (a) 3. If the state aid payment under
22 s. ~~121.08~~ 121.085 [✓] is insufficient to cover the reduction, the department shall decrease
23 other state aid payments made by the department to the school district by the
24 remaining amount. If the state aid payment under s. ~~121.08~~ 121.085 [✓] and other state
25 aid payments made by the department to the school district are insufficient to cover

the reduction, the department shall use the moneys appropriated under s. 20.255 (2) (cg) to pay the balance to school districts under subd. 1.

SECTION 55. 118.51 (16) (d) of the statutes is amended to read:

118.51 (16) (d) The department shall ensure that the aid adjustment under par. (b) does not affect the amount determined to be received by a school district as state aid under s. ~~121.08~~ 121.085 for any other purpose.

SECTION 56. 119.23 (4) (b) 2. of the statutes is amended to read:

119.23 (4) (b) 2. The sum of the amount paid per pupil under this subsection in the previous school year and the amount of revenue increase per pupil that would be allowed under subch. VII of ch. 121 in the current school year if subch. VII of ch. 121 were still applicable.

SECTION 57. 119.82 (5) of the statutes is amended to read:

119.82 (5) The board shall use aid received under s. ~~121.08~~ 121.085 to continue funding for children participating in a program under this section.

SECTION 58. 120.145 of the statutes is created to read:

120.145 School tax levy. (1) Notwithstanding ss. 119.46, 120.10 (6) to (8), (10m), and (11), and 120.12 (3), beginning in 2004, a school board may not levy a tax at a rate that exceeds 3 mills except as follows:

(a) The levy rate may exceed 3 mills for the purpose of paying the principal and interest on debt outstanding on the effective date of this ^{Paragraph} ~~section~~ [revisor inserts date].

(b) The levy rate may exceed 3 mills if the department approves a higher levy rate for the school district. The department may approve a higher levy rate only for emergencies, as defined by the department by rule.

(2) The school board may not use revenue from the tax levy to fund employee salaries or benefits.

SECTION 59. 121.08 (1) (intro.)[↓] of the statutes is amended to read:

121.08 (1) (intro.) ~~The~~ In the 2002–03 school year and the 2003–04 school year,
the state shall pay to the school district the sum of the following amounts:

SECTION 60. 121.08 (4) (a) (intro.)[↓], 2.[↓], 3.[↓] and (b)[↓] of the statutes [↓]are amended to read:

121.08 (4) (a) (intro.)[↓] The amount of state aid that a school district is eligible to be paid from the appropriation under s. 20.255 (2) (~~ae~~) [↓](t) shall be reduced by the amount determined as follows:

2.[↓] Divide the sum under subd. 1. by the total amount of state aid that all school districts are eligible to be paid from the appropriation under s. 20.255 (2) (~~ae~~) (t), calculated as if the reduction under par. (b) had not occurred.

3.[↓] Multiply the amount of state aid that the school district is eligible to be paid from the appropriation under s. 20.255 (2) (~~ae~~) (t), calculated as if the reduction under par. (b) had not occurred, by the quotient under subd. 2.

(b)[↓] The amount of state aid that the school district operating under ch. 119 is eligible to be paid from the appropriation under s. 20.255 (2) (~~ae~~) (t) shall also be reduced by 45% of the amounts paid under s. 119.23 (4) and (4m) in the current school year.

[↓]
SECTION 61. 121.085 of the statutes is created to read:

121.085 School aid. (1) In this section:

(a) “Average membership” means the average membership of the 3 school years out of the 5 preceding school years that have the highest membership.

(b) "Educational cost" means the total cost of instruction and instructional support services that is attributable to pupils who reside in the school district, less transportation and facility acquisition costs and costs funded by any grant other than a state grant, as determined by the department.

(c) "Rate of increase" means the percentage rate ^{that} ~~which~~, when applied annually for 20 years, results in an aid payment in the 2023-24 school year of \$19,000 per pupil under sub. (2).

^{(a) In the 2004-05 school year,}
(2) The department shall pay to each school district, from the appropriation under s. 20.255 (2) (t), the amount determined ^{as follows: divide the educational cost in the previous school year by the average membership} ~~by multiplying the following by the school district's average membership~~.

~~(a) In the 2004-05 school year, an amount equal to the school district's educational cost per pupil in the 2003-04 school year multiplied by the sum of 1.0 plus the rate of increase expressed as a decimal.~~

²⁰⁰⁵⁻⁰⁶
(b) Beginning in the ~~2004-05~~ school year and ending in the 2023-24 school year, ~~an amount equal to the amount received by the school district under this subsection in the previous school year multiplied by the sum of 1.0 plus the rate of increase expressed as a decimal.~~

(3) A school district that has an unanticipated increase in the costs of providing special education under subch. V of ch. 115 may apply to the department for additional state aid. If, after paying aid under sub. (2), the department determines that funds are available in the appropriation under s. 20.255 (2) (t) and that additional aid is justified, the department shall pay the ^{additional} aid from the appropriation under s. 20.255 (2) (t). The department's determinations are final and may not be appealed.

SECTION 62. 121.086 of the statutes is created to read:

1 **121.086 Aid for capital expenditures.** (1) In this section, “board” means
2 the school building projects board.

3 (2) Notwithstanding s. 67.05 (6a) (a) 2.,[✓] a school board may not issue a bond
4 under s. 67.05 (6a)[✓] to finance a capital project unless it adopts a resolution to do so
5 by the affirmative vote of at least three-fourths of its members. If the school board
6 adopts such a resolution, it may apply to the board for state aid for the project.

7 (3) The board shall review the application submitted under sub. (2) and shall
8 provide state aid to the school district for that portion of the project determined by
9 the board to satisfy an educational need in the school district. The amount of aid to
10 be paid to the school district under this section shall be determined as follows:

11 (a) Determine the percentage of the school district’s shared cost that was paid
12 through general equalization aid under s. 121.08[✓] in the previous school year, or
13 ^{that} would have been paid under that section in the previous school year if aid were paid
14 under that section in the previous school year.

15 (b) Multiply the portion of the project’s cost determined by the board to satisfy
16 an educational need in the school district by the percentage under par. (a).[✓]

17 (4) Aid under this section shall be paid from the appropriation under s. 20.255
18 (2) (t).[✓]

19 ^{plan} **SECTION 63.** 121.09[✓] of the statutes is amended to read:

20 **121.09 State aid adjustment; redetermination of assessment.** (1) If, on
21 or after July 1, 1980[✓] but before the effective date of this subsection [revisor inserts
22 date], the tax appeals commission or a court makes a final redetermination on the
23 assessment of property subject to taxation under s. 70.995 that is lower than the
24 previous assessment, or if, on or after January 1, 1982, but before the effective date
25 of this subsection [revisor inserts date], the state board of assessors makes a final

1 redetermination on the assessment of property subject to taxation under s. 70.995
2 that is lower than the previous assessment, the school board of the school district in
3 which the property is located may, within 4 years after the date of the determination,
4 decision, or judgment, file the determination of the state board of assessors, the
5 decision of the tax appeals commission, or the judgment of the court with the state
6 superintendent, requesting an adjustment in state aid to the school district. If the
7 state superintendent determines that the determination, decision, or judgment is
8 final and that it has been filed within the 4-year period, the state shall pay to the
9 school district in the subsequent fiscal year, from the appropriation under s. 20.255
10 (2) (ae) (t), an amount equal to the difference between the state aid computed under
11 s. 121.08 for the school year commencing after the year subject to the valuation
12 recertification, using the school district's equalized valuation as originally certified,
13 and the state aid computed under s. 121.08 for that school year using the school
14 district's equalized valuation as recertified under s. 70.57 (2).

15 (2) If, on or after May 3, 1984, but before the effective date of this subsection
16 [revisor inserts date], the state board of assessors, the tax appeals commission or
17 a court makes a final redetermination on the assessment of property subject to
18 taxation under s. 70.995 that is higher than the previous assessment, the state
19 superintendent shall notify the school district in which the property is located of the
20 recertification by the department of revenue under s. 70.57 (2). The state
21 superintendent shall, in the subsequent fiscal year, withhold from the school
22 district's state aid entitlement under s. 121.08 121.085 an amount equal to the
23 difference between the state aid computed under s. 121.08 for the school year
24 commencing after the year subject to the valuation recertification, using the school
25 district's equalized valuation as originally certified, and the state aid computed

1 under s. 121.08 for that school year, using the school district's equalized valuation
2 as recertified under s. 70.57 (2).

3 **SECTION 64.** 121.095 (1) (intro.)[✓] of the statutes is amended to read:

4 121.095 (1) (intro.) Annually the department shall reduce each school district's
5 state aid payment under s. ~~121.08~~ 121.085, or other state aid payments, if necessary,
6 by an amount calculated as follows:

7 **SECTION 65.** 121.095 (2)[✓] of the statutes is amended to read:

8 121.095 (2) From the appropriation under s. 20.255 (2) (~~ae~~) (t)[✓], annually the
9 department of public instruction shall pay to the department of military affairs an
10 amount equal to the sum of the reductions under sub. (1). The department of public
11 instruction shall ensure that the aid adjustment under sub. (1) does not affect the
12 amount determined to be received by a school district as state aid under s. ~~121.08~~
13 121.085 or for any other purpose.

14 **SECTION 66.** 121.105 (1)[✓] of the statutes is amended to read:

15 121.105 (1) In this section "state aid" means the sum of the payments provided
16 to a school district under this section and ss. 121.08, 121.085[✓], 121.85 and 121.86.

17 **SECTION 67.** 121.105 (2) (c)[✓] of the statutes is created to read:

18 121.105 (2) (c) This subsection does not apply after the 2003–04 school year.

19 **SECTION 68.** 121.105 (3)[✓] of the statutes is amended to read:

20 121.105 (3) In the school year in which a school district consolidation takes
21 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the
22 consolidated school district's state aid shall be an amount that is not less than the
23 aggregate state aid received by the consolidating school districts in the school year
24 prior to the school year in which the consolidation takes effect. The additional state
25 aid shall be paid from the appropriation under s. 20.255 (2) (~~ae~~) (t)[✓].

1 **SECTION 69.** 121.135 (4) of the statutes is created to read:

2 121.135 (4) The department may not make any payments under this section
3 after June 30, 2004.

4 **SECTION 70.** 121.15 (1) (intro.) of the statutes is amended to read:

5 121.15 (1) (intro.) Except as provided under sub. (1g), state aid under s. 121.08
6 121.085 shall be paid to school districts according to the following distribution
7 schedule:

8 **SECTION 71.** 121.15 (1g) (a) of the statutes is amended to read:

9 121.15 (1g) (a) If a school board submits a written request to the department
10 before May 1, in the following school year the department shall pay to that school
11 district an amount equal to 10% of the school district's total aid entitlement under
12 s. 121.08 121.085 in each month from September to June.

13 **SECTION 72.** 121.15 (1m) (a) 3. of the statutes is amended to read:

14 121.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state
15 shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),
16 \$75,000,000 on the 4th Monday in July of the following school year. No payment may
17 be made under this subdivision after July 2004.

18 **SECTION 73.** 121.15 (3m) of the statutes is repealed.

19 **SECTION 74.** 121.23 (title) of the statutes is amended to read:

20 121.23 (title) ~~Payment of aids in school~~ **School district labor disputes.**

21 **SECTION 75.** 121.23 (1) of the statutes is renumbered 121.23.

22 **SECTION 76.** 121.23 (2) of the statutes is repealed.

23 **SECTION 77.** 121.41 (3) of the statutes is created to read:

24 121.41 (3) **TERMINATION OF STATE AID.** The department may not make any
25 payments under this section after June 30, 2004.

1 **SECTION 78.** 121.85 (6) (a) 1. of the statutes is amended to read:

2 121.85 (6) (a) 1. Divide the state aid received in the current school year under
3 s. ~~121.08~~ 121.085 by the average membership used to compute state aid to the school
4 district for the current school year.

5 **SECTION 79.** 121.85 (6) (e) of the statutes is amended to read:

6 121.85 (6) (e) *Sources of aid payments.* State aid under this section shall be
7 paid from the appropriation under s. 20.255 (2) (ae) (t).

8 **SECTION 80.** 121.85 (6m) of the statutes is amended to read:

9 121.85 (6m) **USE OF AID FOR LEASE OR LOAN PAYMENTS.** If the board of directors
10 of the school district operating under ch. 119 leases buildings or sites from the
11 redevelopment authority of the city or borrows money from the redevelopment
12 authority of the city under s. 119.16 (3) (c), it may use intradistrict transfer aid under
13 sub. (6) to make lease payments or repay the loan. If the board of school directors
14 decides to use the aid to make lease payments or repay the loan, it may request the
15 department to remit the intradistrict transfer aid under sub. (6) to the
16 redevelopment authority of the city of Milwaukee in an annual amount agreed to by
17 the board of school directors and the department, and the department shall ensure
18 that the aid remittance does not affect the amount determined to be received by the
19 board of school directors as state aid under s. ~~121.08~~ 121.085 for any other purpose.

20 **SECTION 81.** 121.85 (8) of the statutes is amended to read:

21 121.85 (8) **TRANSFERRED PUPILS.** Pupils transferring schools under this section
22 shall be subject to the same rules and regulations as resident pupils and shall have
23 the responsibilities, privileges, and rights of resident pupils in the school district or
24 attendance area. Subject to this subsection, a pupil transferring schools under either
25 sub. (3) (a) or (b) has the right to complete his or her education at the elementary,

1 middle, or high school to which he or she transfers so long as full funding therefor
2 is available under s. 20.255 (2) ~~(ae)~~ (t).[✓]

3 **SECTION 82.** 121.85 (9) (c) [✓] of the statutes is amended to read:

4 121.85 (9) (c) The obligation under par. (a) to organize planning councils shall
5 apply only with regard to school terms for which full pupil transfer aids are
6 appropriated under s. 20.255 (2) ~~(ae)~~ (t) and planning council assistance funds are
7 appropriated under s. 20.255 (1) (a).

8 **SECTION 83.** 121.86 (2) (a) 1. [✓] of the statutes is amended to read:

9 121.86 (2) (a) 1. Divide the state aid received in the current school year under
10 s. ~~121.08~~ 121.085 by the average membership used to compute state aid to the school
11 district for the current school year.

12 **SECTION 84.** 121.90 (2) (intro.) [✓] of the statutes is amended to read:

13 121.90 (2) (intro.) "State aid" means aid under ss. ~~121.08~~ 121.085, 121.086,
14 121.09 and 121.105 and subch. VI, as calculated for the current school year on
15 October 15 under s. 121.15 (4) and including adjustments made under s. 121.15 (4),
16 and amounts under s. 79.095 (4) for the current school year, except that "state aid"
17 excludes all of the following:

18 **SECTION 85.** 121.91 (2m) (e) (intro.) [✓] of the statutes is amended to read:

19 121.91 (2m) (e) (intro.) Except as provided in subs. (3) and (4), no school district
20 may increase its revenues for the 1999-2000, 2000-01, 2001-02, 2002-03, or
21 2003-04 school year ~~or for any school year thereafter~~ to an amount that exceeds the
22 amount calculated as follows:

23 **SECTION 86. Nonstatutory provisions.**

24 ²⁴ ~~24~~ **PETITIONS FOR ARBITRATION**

(1) [✓] The employment relations commission may not accept any petition for
25 arbitration filed under section 111.70 (4) (cm) 6. [✓] of the statutes, in any collective

bargaining unit concerning a labor dispute about which the commission has, prior to the effective date of this subsection, already accepted a petition for arbitration filed under section 111.70 (4) (cm) 6. of the statutes.

(2) SCHOOL BUILDING PROJECTS BOARD. Of the initial members of the school building projects board appointed under section 15.375 (1) of the statutes, ^{as created by this act,} the terms of one member appointed by the state superintendent of public instruction and of one member appointed by the governor shall expire on May 1, 2005; the terms of one member appointed by the state superintendent ^{of public instruction} and of one member appointed by the governor shall expire on May 1, 2006; and the terms of one member appointed by the state superintendent ^{of public instruction} and of one member appointed by the governor shall expire on May 1, 2007.

(3) TRANSFER TO PUBLIC SCHOOL AID FUND. On July 1, 2004, \$5,300,000,000 is transferred from the general fund to the public school aid fund.

SECTION 87. Initial applicability.

(1) The treatment of sections 111.70 (1) (b), (dm), (fm), and (nc), (4) (cm) 5., 5s., 6. a. and am., 7., 7g., 7r. (intro.), 8m. a., b. and c., 8p., and 8s., (cn), and (d) 2. a. first applies to petitions for arbitration filed under section 111.70 (4) (cm) 6. of the statutes, as affected by this act, on the effective date of this subsection.

SECTION 88. Initial applicability.

(2) ~~This act first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 this act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.~~

The treatment of sections 20.835 (2) (b) and 71.07 (5 d) 71.08 (1) (intro.) and 71.10 (4) (i) of the statutes and the creation of sections

SECTION 89. Effective dates. This act takes effect on July 1, 2004, except as follows:

2 statutes takes effect on January 1, 2004.

3 (END)

21-13

④ 3. Multiply the product under subd. 20
by the average membership

(end of 21-13)

21-16:1

Not the department shall pay to each school
district, from the appropriation under
s. w. 255(2)(t), the amount determined

as follows:

1. Multiply the result ^{under par. (9) 2.} ~~under par.~~
~~for the previous school year~~
~~set 2~~ by the sum of 1.0 plus the rate of
increase expressed as a decimal

2. Multiply the product under subd. 1
by the average membership

21-16 : 2

¶ 10 Divide the amount received under this subsection in the previous school year by the average membership used to determine aid under this subsection in the previous school year.

¶ 20 Multiply the quotient under subd 10 by the sum of 100 plus the rate of increase expressed as a decimal.

¶ 30 Multiply the product under subd 20 by the average membership.

(end of 21-16)

2/27/03:

mtg w/ Reps Wood & Lehman re 0467/P2

changes wanted:

1. restore H&A start (sec. 32)
2. def. of "ed. cost": engine fuel
service costs are excluded.
3. re calculation of aid: use average
membership only if sd has declining enrollment,
otherwise use previous year M.
4. distrib of aid: eliminate current
schedule. Require 4 installments of DPI to determine
exact schedule.
5. Transfer from gen'l fund to PSAF:
§ 5.3 B or amt in W25 (21(a)) in 03-04,
whichever is greater.
6. clarify that can't borrow if the
bond is rate ad. require sd to pay at a
rate ≥ 3 mills.